
Results for the Six Months Ended September 30, 2014

November 6, 2014

KYOWA EXEO CORPORATION

URL <http://www.exeo.co.jp>

1. Consolidated Figures



(1) Overview

(¥bn)

	FY 2013		FY2014						
	Interim A	Full year B	Interim				Full year		
			Plan C	Actual D	YOY D/A	Plan accuracy D/C	Progress rate D/E	Plan E	YOY E/B
Orders received	143.2	304.2	149.0	149.3	104%	100%	47%	320.0	105%
Net sales	128.1	318.5	125.0	127.1	99%	102%	40%	320.0	100%
Gross profit	(12.4%) 15.9	(12.1%) 38.5	(12.6%) 15.8	(12.8%) 16.2	102%	103%	41%	(12.3%) 39.5	102%
SG&A expenses	(6.8%) 8.6	(5.6%) 17.8	(7.0%) 8.8	(6.8%) 8.6	100%	99%	50%	(5.5%) 17.5	98%
Operating income	(5.7%) 7.2	(6.5%) 20.7	(5.6%) 7.0	(5.9%) 7.5	104%	108%	34%	(6.9%) 22.0	106%
Ordinary income	(5.9%) 7.5	(6.5%) 20.6	(5.8%) 7.2	(6.0%) 7.6	101%	107%	35%	(6.9%) 22.2	108%
Net income	(4.9%) 6.3	(4.7%) 14.9	(3.4%) 4.3	(3.6%) 4.5	72%	105%	32%	(4.4%) 14.1	95%

Notes: All amounts less than ¥100m are disregarded. Figures in parentheses are ratio to net sales.

1. Consolidated Figures



(2) Orders Received and Net Sales

(¥bn)

			FY 2013		FY 2014						
			Interim	Full year	Interim					Full year	
					Plan	Actual	YOY	Plan accuracy	Progress rate	Plan	YOY
A	B	C	D	D/A	D/C	D/E	E	E/B			
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	81.2	171.0	76.0	79.6	98%	105%	48%	165.0	96%
		Non-NTT telecom engineering	30.7	66.9	36.0	36.9	120%	103%	51%	73.0	109%
		Environmental and social infrastructure	13.5	31.8	19.0	18.8	139%	99%	44%	43.0	135%
		Sub-total	125.4	269.9	131.0	135.4	108%	103%	48%	281.0	104%
	SYSTEM-SOLUTIONS	17.7	34.2	18.0	13.9	78%	77%	36%	39.0	114%	
TOTAL			143.2	304.2	149.0	149.3	104%	100%	47%	320.0	105%
Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	76.6	173.5	72.0	75.1	98%	104%	45%	166.0	96%
		Non-NTT telecom engineering	27.9	77.2	27.0	27.4	98%	102%	38%	73.0	94%
		Environmental and social infrastructure	9.7	33.1	12.0	12.7	131%	106%	30%	42.0	127%
		Sub-total	114.3	283.9	111.0	115.3	101%	104%	41%	281.0	99%
	SYSTEM-SOLUTIONS	13.8	34.5	14.0	11.8	86%	85%	30%	39.0	113%	
TOTAL			128.1	318.5	125.0	127.1	99%	102%	40%	320.0	100%
Amount Carried Forward	ENGINEERING-SOLUTIONS	NTT Group engineering	53.8	46.8	—	51.3	95%	—	—	—	—
		Non-NTT telecom engineering	32.6	20.0	—	29.5	91%	—	—	—	—
		Environmental and social infrastructure	37.9	32.7	—	38.9	103%	—	—	—	—
		Sub-total	124.4	99.7	—	119.8	96%	—	—	—	—
	SYSTEM-SOLUTIONS	8.6	4.0	—	6.0	70%	—	—	—	—	
TOTAL			133.1	103.7	—	125.8	95%	—	—	—	—

Note: All amounts less than ¥100m are disregarded.

1. Consolidated Figures



(3) Consolidated Balance Figures

(¥bn)

		FY 2013				FY 2014		
		Interim		Year-end		Interim		B-A
				A		B		
Current assets		114.2	(61.4%)	137.6	(63.4%)	111.5	(59.0%)	-26.1
Fixed assets		71.9	(38.6%)	79.4	(36.6%)	77.6	(41.0%)	-1.7
Total assets		186.2	(100%)	217.0	(100%)	189.1	(100%)	-27.9
Liabilities	Current	44.9	(24.1%)	66.7	(30.7%)	40.7	(21.5%)	-26.0
	Long-term	14.1	(7.6%)	14.6	(6.8%)	12.9	(6.9%)	-1.7
Total liabilities		59.0	(31.7%)	81.4	(37.5%)	53.6	(28.4%)	-27.7
Shareholder's equity		126.8	(68.1%)	135.3	(62.3%)	135.0	(71.4%)	-0.2
Minority interests and stock acquisition rights		0.3	(0.2%)	0.3	(0.2%)	0.3	(0.2%)	0.0
Total liabilities and net assets		186.2	(100%)	217.0	(100%)	189.1	(100%)	-27.9

Note: All amounts less than ¥100m are disregarded.

1. Consolidated Figures



(4) Cash Flows

(¥bn)

	FY 2011	FY 2012	FY 2013		FY 2014
			Interim	Full year	Interim
Net cash provided by (used in) operating activities	16.4	7.1	3.9	9.8	23.1
Net cash provided by (used in) investing activities	-4.5	-2.1	-1.7	-7.4	-1.3
Net cash provided by (used in) financial activities	-17.5	-3.0	-5.0	-0.9	-10.6
Free cash flow (Note 2)	11.9	4.9	2.2	2.4	21.7
Cash and cash equivalents at end of period	12.3	14.6	11.8	16.2	27.3

Notes 1. All amounts less than ¥100m are disregarded.

2. Free cash flow = Net cash provided by (used in) operating activities + Net cash provided by (used in) investing activities

(5) Interest-bearing Debt

(¥bn)

	FY 2011	FY 2012	FY 2013		FY 2014
			Interim	Full year	Interim
Short-term	1.4	3.8	1.2	7.7	1.4
Long-term	6.7	6.1	5.8	5.6	5.2
Total	8.1	9.9	7.1	13.3	6.6

Note: All amounts less than ¥100m are disregarded.

1. Consolidated Figures



(6) Capital Expenditures

(¥bn)

	FY 2011	FY 2012	FY 2013		FY 2014
			Interim	Full year	Interim
Tangible fixed assets	1.4	2.3	3.3	5.8	0.9
Intangible fixed assets	0.5	1.0	0.7	1.4	0.2
Total	1.9	3.3	4.1	7.3	1.2

Note: All amounts less than ¥100m are disregarded.

(7) Depreciation and Amortization

(¥bn)

	FY 2011	FY 2012	FY 2013		FY 2014
			Interim	Full year	Interim
Depreciation and amortization	2.9	2.3	1.0	2.2	1.2

Note: All amounts less than ¥100m are disregarded.

1. Consolidated Figures



(8) Summary of results for main subsidiary companies (by company)

(¥bn)

	Wako Engineering				Daiwa Densetsu				Ikeno Tsuiken			
	FY 2013		FY 2014		FY 2013		FY 2014		FY 2013		FY 2014	
	Interim A	Full year B	Interim C	YOY C/A	Interim D	Full year E	Interim F	YOY F/D	Interim G	Full year H	Interim I	YOY I/G
Orders received	13.1	24.9	10.7	82%	7.6	13.6	6.3	84%	7.5	14.2	6.7	90%
Net sales	10.9	25.9	9.3	86%	5.7	14.3	4.8	85%	5.7	15.0	5.0	89%
Gross profit	(5.0%) 0.5	(6.0%) 1.5	(4.4%) 0.4	75%	(7.5%) 0.4	(9.5%) 1.3	(8.4%) 0.4	95%	(8.1%) 0.4	(8.5%) 1.2	(7.5%) 0.3	83%
SG&A expenses	(6.5%) 0.7	(5.2%) 1.3	(6.7%) 0.6	90%	(6.2%) 0.3	(5.3%) 0.7	(7.7%) 0.3	106%	(8.0%) 0.4	(6.1%) 0.9	(8.7%) 0.4	97%
Operating income	(-1.4%) -0.15	(0.8%) 0.21	(-2.3%) -0.21	-	(1.2%) 0.07	(4.1%) 0.59	(0.6%) 0.03	44%	(0.1%) 0.00	(2.5%) 0.37	(-1.2%) -0.06	-
Ordinary income	(-1.1%) -0.12	(1.9%) 0.49	(-1.7%) -0.15	-	(1.0%) 0.05	(4.3%) 0.61	(1.9%) 0.09	165%	(0.3%) 0.01	(2.5%) 0.37	(-0.9%) -0.04	-
Net income	(-0.2%) -0.02	(0.9%) 0.24	(-1.7%) -0.15	-	(-0.4%) -0.02	(2.1%) 0.30	(1.2%) 0.05	-	(1.3%) 0.07	(-0.3%) -0.03	(-1.0%) -0.05	-

Notes: 1. All amounts less than ¥100m are disregarded.
2. Figures in parentheses are ratio to net sales.

2. Non-consolidated Figures



(1) Overview

(¥bn)

	FY 2013		FY 2014						
	Interim A	Full year B	Interim				Full year		
			Plan C	Actual D	YOY D/A	Plan accuracy D/C	Progress rate D/E	Plan E	YOY E/B
Orders received	106.8	235.3	116.0	118.7	111%	102%	47%	252.0	107%
Net sales	99.5	247.3	98.0	102.4	103%	105%	41%	252.0	102%
Gross profit	(10.1%) 10.0	(9.8%) 24.2	(10.3%) 10.1	(10.2%) 10.4	104%	104%	41%	(10.2%) 25.6	106%
SG&A expenses	(5.7%) 5.6	(4.8%) 11.7	(6.0%) 5.9	(5.7%) 5.8	102%	99%	50%	(4.6%) 11.6	99%
Operating income	(4.4%) 4.3	(5.0%) 12.4	(4.3%) 4.2	(4.5%) 4.6	107%	111%	33%	(5.6%) 14.0	113%
Ordinary income	(4.6%) 4.5	(5.2%) 12.7	(4.7%) 4.6	(5.3%) 5.3	118%	117%	37%	(5.7%) 14.4	113%
Net income	(4.5%) 4.4	(4.2%) 10.3	(8.3%) 8.1	(8.7%) 8.9	199%	110%	61%	(5.8%) 14.7	142%

Notes: 1. All amounts less than ¥100m are disregarded.
2. Figures in parentheses are ratio to net sales.

2. Non-consolidated Figures



(2) Orders Received, Net Sales and Amount Carried Forward

(¥bn)

				FY 2013		FY 2014						
				Interim	Full year	Interim			Full year			
						Plan	Actual	YOY	Plan accuracy	Progress rate	Plan	YOY
				A	B	C	D	D/A	D/C	D/E	E	E/B
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	26.1	52.8	24.0	26.6	102%	111%	52%	51.0	97%
			Network engineering	10.9	27.2	9.0	9.4	87%	105%	39%	24.0	88%
			Mobile engineering	22.2	50.2	24.0	25.6	115%	107%	48%	53.0	105%
			Sub-total	59.3	130.3	57.0	61.8	104%	108%	48%	128.0	98%
		Non-NTT telecom engineering	26.9	59.7	32.0	33.2	123%	104%	52%	64.0	107%	
		Environmental and social infrastructure	9.0	23.4	15.0	14.2	157%	95%	44%	32.0	136%	
		Sub-total	95.3	213.6	104.0	109.2	115%	105%	49%	224.0	105%	
	SYSTEM-SOLUTIONS	11.5	21.6	12.0	9.4	82%	79%	34%	28.0	129%		
	TOTAL	106.8	235.3	116.0	118.7	111%	102%	47%	252.0	107%		
Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	24.3	57.2	22.0	24.7	102%	112%	48%	52.0	91%
			Network engineering	11.3	27.5	10.0	9.6	85%	96%	39%	25.0	91%
			Mobile engineering	22.5	46.3	24.0	24.4	108%	102%	47%	52.0	112%
			Sub-total	58.2	131.1	56.0	58.8	101%	105%	46%	129.0	98%
		Non-NTT telecom engineering	25.7	69.8	24.0	25.0	98%	105%	39%	64.0	92%	
		Environmental and social infrastructure	6.7	24.5	9.0	10.3	153%	116%	34%	31.0	126%	
		Sub-total	90.7	225.6	89.0	94.3	104%	106%	42%	224.0	99%	
	SYSTEM-SOLUTIONS	8.7	21.7	9.0	8.1	93%	91%	29%	28.0	129%		
	TOTAL	99.5	247.3	98.0	102.4	103%	105%	41%	252.0	102%		
Amount Carried Forward	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	18.4	12.1	—	14.0	76%	—	—	—	—
			Network engineering	7.4	7.6	—	7.4	100%	—	—	—	—
			Mobile engineering	16.7	20.9	—	22.1	132%	—	—	—	—
			Sub-total	42.6	40.7	—	43.7	103%	—	—	—	—
		Non-NTT telecom engineering	28.9	17.6	—	25.8	89%	—	—	—	—	
		Environmental and social infrastructure	33.9	30.5	—	34.3	101%	—	—	—	—	
		Sub-total	105.5	89.0	—	103.9	99%	—	—	—	—	
	SYSTEM-SOLUTIONS	5.8	2.9	—	4.2	74%	—	—	—	—		
	TOTAL	111.3	91.9	—	108.2	97%	—	—	—	—		

Note: All amounts less than ¥100m are disregarded.

Disclaimer Regarding Forward-Looking Statements

Management of the Company has made estimates and assumptions relating to financial forecasts based on information available as of the reporting date. Actual results could differ from those estimates.

KYOWA EXEO CORPORATION

3-29-20 Shibuya, Shibuya-ku,
Tokyo 150-0002 JAPAN

<http://www.exeo.co.jp/overseas/index.html>

TEL: (81)3-5778-1073

FAX: (81)3-5778-1228